

Testimony of John W. Rowe
Chairman and Chief Executive Officer, Exelon Corporation
Before the Committee on Energy and Commerce
United States House of Representatives
January 15, 2009

Mr. Chairman and Members of the Committee:

My name is John W. Rowe, Chairman and CEO of Exelon in Chicago. Our retail utilities, ComEd and PECO, serve 5.4 million customers, or about 12 million people – more than any other company. We have fossil, hydro, nuclear and renewable generation facilities. Our nuclear fleet is the largest in the nation and the third largest in the world.

I am the longest-serving CEO in our industry, having served since 1984. Exelon is pleased to be a member of USCAP – the United States Climate Action Partnership. I chair, or have chaired, the Nuclear Energy Institute (NEI), Edison Electric Institute (EEI), and the bipartisan National Commission on Energy Policy (NCEP). NCEP has produced two major reports that include our energy policy recommendations, which I commend to you.

Exelon was an early and vocal advocate of climate change legislation. We have testified in favor of passage on several occasions. I myself first testified in favor of a carbon tax before this Committee's Energy and Power Subcommittee in 1992. I would also note that last year Exelon announced our goal to reduce, offset, or displace our entire carbon footprint – some 15 million tons annually – by 2020. Our "*Exelon 2020*" plan is available on our website (www.exeloncorp.com).

We are very pleased, Mr. Chairman, that you have shown your commitment to action by making this hearing your Committee's first order of business. I implore Congress to redouble efforts to pass a bill that slows, stops and reduces greenhouse gas emissions while protecting the American economy.

* We need an economy-wide bill with realistic targets and timetables, an effective cost containment mechanism, and rate

protection for our customers by allocating allowances to regulated electricity delivery companies.

* Without prompt action our industry will be hamstrung and will not make the necessary investments in clean generation.

We are pleased to be a part of today's launch of the Blueprint for Legislative Action. It represents the culmination of a major effort to develop a consensus by the USCAP member organizations. The Blueprint provides a framework for carbon reductions that will allow businesses to make efficient decisions and more effective investments. Equally important will be ensuring that the costs of climate protection are managed in a fair and reasonable way.

I want to highlight the cost containment recommendations in the Blueprint. While it is very important to begin putting a "price" on carbon, it is also important to cushion the impact on our economy, and on our customers, during a reasonable transition. The recommendations in the Blueprint meet both objectives.

I would also note that the Edison Electric Institute (EEI) released a consensus document just yesterday that addresses this issue. EEI calls for allocating 40% of the allowances to local distribution companies (LDCs) – our jargon for the local utility that serves retail customers – to mitigate impacts on customers. That program would be overseen by state utility regulators.

We also need a 21st Century Marshall Plan to jump start low carbon energy sources. Nothing less will suffice to put us on the right track. We need a firm, long-term commitment to energy efficiency and conservation both in our industry and across the economy as well as a commitment to finance and construct low carbon generation resources, including nuclear, clean coal, and renewables.

We hope that the detailed recommendations contained in the Blueprint will assist this, and other, Congressional Committees in addressing the important details that must be confronted and resolved in any climate bill. We commend its recommendations to the Members of this Committee.